

**AMBULANCE REVENUE and COST REPORT**  
**FIRE DISTRICT and SMALL RURAL COMPANY**

**Arizona Department of Health Services**  
**Annual Ambulance Financial Report**

Fort Mojave Mesa Fire District  
Reporting Ambulance Service

Address: 2230 Joy Lane  
City: Fort Mohave Zip: 86426

**Report Fiscal Year**

From: July 1, 2013 To: June 30, 2013  
Mo. Day Year Mo. Day Year

*I hereby verify that I have directed the preparation of the enclosed annual report in accordance with the reporting requirements of the State of Arizona.*

*I have read this report and hereby verify that the information provided is true and correct to the best of my knowledge.*

*This report has been prepared using the accrual basis of accounting.*

Authorized Signature:

Shirley Portwood

Date:

December 10, 2013

Print Name and Title:

Shirley Portwood, Office Manager

Phone:

928-768-9181

Mail to:

Department of Health Services  
Bureau of Emergency Medical Services  
Certificate of Necessity and Rates Section  
150 North 18th Avenue, Suite 540  
Phoenix, AZ 85007-3248  
Telephone: (602) 364-3150  
Fax: (602) 364-3567

RECEIVED

DEC 16 2013

BEMSTS-CON & RATES

# AMBULANCE REVENUE AND COST REPORT

## FIRE DISTRICT and SMALL RURAL COMPANY

AMBULANCE SERVICE ENTITY:

Fort Mojave Mesa Fire District

FOR THE PERIOD

FROM: July 1, 2012

TO: June 30, 2013

### STATISTICAL SUPPORT DATA

Line No.	DESCRIPTION	(1) SUBSCRIPTION SERVICE TRANSPORTS	*(2) TRANSPORTS UNDER CONTRACT	(3) TRANSPORTS NOT UNDER CONTRACT	(4) TOTALS
1	Number of ALS Billable Transports:			1,092	1,092
2	Number of BLS Billable Transports:			255	255
3	Number of Loaded Billable Miles:			32,649	32,649
4	Waiting Time (Hr. & Min.):			None Billed	
5	Canceled (Non-Billable) Runs:				

### AMBULANCE SERVICE ROUTINE OPERATING REVENUE

6	ALS Base Rate Revenue			\$	1,253,564
7	BLS Base Rate Revenue				289,256
8	Mileage Charge Revenue				
9	Waiting Charge Revenue				
10	Medical Supplies Charge Revenue				
11	Nurses Charge Revenue				
12	Standby Charge Revenue (Attach Schedule)				
13	TOTAL AMBULANCE SERVICE ROUTINE OPERATING REVENUE			(Post to Page 3, Line 1)	\$ 1,542,820

### SALARY AND WAGE EXPENSE DETAIL

#### GROSS WAGES:

\*\* No. of FTE's

14	Management		\$	90,380	1.0
15	Paramedics and IEMTs		\$	1,212,909	29.0
16	Emergency Medical Technician (EMT)		\$	493,986	15.0
17	Other Personnel		\$	240,402	4.0
18	Payroll Taxes and Fringe Benefits - All Personnel		\$	1,614,303	
19	Total Wages, Taxes & Benefits (Sum Lines 14 through 18; Post to Page 3, Line 10)		\$	3,651,980	49

\* This column reports only those runs where a contracted discount rate was applied.

\*\* Full-time equivalents (F.T.E.) is the sum of all hours for which employees wages were paid during the year divided by 2080.

# AMBULANCE REVENUE AND COST REPORT

## FIRE DISTRICT and SMALL RURAL COMPANY

**AMBULANCE SERVICE ENTITY:**

Fort Mojave Mesa Fire District

**FOR THE PERIOD**

**FROM:**

July 1, 2012

**TO:**

June 30, 2013

**SCHEDULE OF REVENUES AND EXPENSES**

Line No.	DESCRIPTION		
<b>Operating Revenues:</b>			
1	Total Ambulance Service Operating Revenue	(From: Page 2, Line 13)	\$ 1,542,820
<u>Settlement Amounts:</u>			
2	AHCCCS		63,798
3	Medicare		399,136
4	Subscription Service		
5	Contractual		
6	Other		249,852
7	Total	(Sum of Lines 2 through 6)	712,785
8	Total Operating Revenue	(Line 1 minus Line 7)	\$ 830,035
<b>Operating Expenses:</b>			
9	Bad Debt		\$
10	Total Salaries, Wages, and Employee-Related Expenses	(From: Page 2, Line 19)	3,651,980
11	Professional Services		96,157
12	Travel and Entertainment		
13	Other General Administrative		40,609
14	Depreciation		166,780
15	Rent / Leasing		
16	Building / Station		70,852
17	Vehicle Expense		77,333
18	Other Operating Expense		112,848
19	Cost of Medical Supplies Charged to Patients		
20	Interest		
21	Subscription Service Sales Expense		
22	Total Operating Expense	(Sum of Lines 9 through 21)	4,216,560
23	Total Operating Income or (Loss)	(Line 8 minus Line 22)	\$ (3,386,525)
24	Subscription Contract Sales		
25	Other Operating Revenue		
26	Local Supportive Funding		
27	Other Non-Operating Income (Attach Schedule)		
28	Other Non-Operating Expense (Attach Schedule)		
29	NET INCOME or (LOSS) Before Income Taxes	(Sum of Lines 23 through 27, minus Line 28)	\$
<b>Provision for Income Taxes:</b>			
30	Federal Income Tax		
31	State Income Tax		
32	Total Income Tax	(Line 30, plus Line 31)	
33	Ambulance Service Net Income (Loss)	(Line 29, minus Line 32)	(3,386,525)



CERTIFIED PUBLIC ACCOUNTANTS  
1370 RAMAR ROAD, SUITE B  
BULLHEAD CITY, ARIZONA 86442  
(928) 758-4106  
FAX (928) 758-8435

## INDEPENDENT AUDITOR'S REPORT

Elected Officials  
Fort Mohave Mesa Fire District

We have audited the accompanying financial statements of the governmental activities of Fort Mohave Mesa Fire District as of June 30, 2013 and for the year then ended, which comprise the District's basic financial statements. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Fort Mohave Mesa Fire District as of June 30, 2013, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and required supplementary information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the District. The fund financial statements and schedules for the year ended June 30, 2013 have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the respective basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Porter & Porter PC  
October 31, 2013

RECEIVED

DEC 16 2013

BEMSTS-COH & RATES



CERTIFIED PUBLIC ACCOUNTANTS  
1370 RAMAR ROAD, SUITE B  
BULLHEAD CITY, ARIZONA 86442  
(928) 758-4106  
FAX (928) 758-8435

October 31, 2013

To the Fire Board  
Fort Mohave Mesa Fire District

We have completed our audit of the Fort Mohave Mesa Fire District for the fiscal year ended June 30, 2013.

The levy rate per one hundred dollars of assessed value for fiscal year end June 30, 2013 for your District was \$3.25. The levy rate for the fiscal year ending June 30, 2014 remained at \$3.25. The maximum rate a fire district can levy is \$3.25 per one hundred dollars of assessed value unless special circumstances are met and the District applies for and is granted a higher rate. Information on the levy rate can be found in Note 5 of our audited financial statements.

The District has no debt in excess of taxes levied and to be collected.

Sincerely,

Judith F. Porter

RECEIVED  
DEC 16 2013  
DEMSTG-CON & VATES

## **Fort Mohave Mesa Fire District Management Discussion and Analysis**

---

- District net assets decreased \$107,375, or 2.5%, compared to an increase of \$61,316 or 1.5% for the prior fiscal year.
- The District's operating revenue decreased by \$451,752 or 8.9% compared to the prior year. The decrease in operating revenues is primarily attributed to a declining tax base in the District.
- During the year, the District's operating revenues were \$25,943 more than its operating expenses of \$4,596,701. Last year operating revenues were \$112,053 more than operating expenses of \$4,961,743.

### **Overview of the Financial Statements**

The annual report consists of three parts: Management's Discussion and Analysis, Financial Statements, and Supplementary Information. The Financial Statements section also includes notes that discuss information in the Financial Statements in more detail.

### **Required Financial Statements**

The financial statements are designed to provide an overview of the financial activities similar to private businesses. This year's statements include a statement of net assets and a statement of activities.

The statement of net assets presents information about all of the District's assets and liabilities. The difference between assets and liabilities is reported as net assets. Over time, changes in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the net assets of the District changed during the current fiscal year. Changes in net assets are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Consequently, revenues and expenses are reported in this statement even though the resulting cash flow may be recorded in a future period.

Both of the financial statements distinguish functions of the District that are supported from taxes and intergovernmental revenues (governmental activities). Governmental activities consolidate governmental funds including general, debt service and capital projects funds.

## Financial Analysis

Long term liabilities – The only long term liability of the District is compensated absences. This account decreased \$70,278 during the fiscal year due to employee retirement and payouts of accumulated leave.

Revenues – The main source of the District's revenue is from property taxes. It also generates revenue from an ambulance service that is regulated by the Department of Health Services.

Expenses – The District's expenditures for fire protection increased 4% from the previous year. This is primarily due to an increase in wages and retirement. Administrative expenses decreased.

The District adopts an annual budget. Budgetary comparison schedules are included as supplemental information in this report.

The District had a cash carryover into future years.

## **Next Year's Operations**

Budgeted revenue for the year ending June 30, 2014 is \$4,546,539. The amount budgeted is for the normal operations of the Fire District and scheduled debt retirement.

## Contacting the District's Financial Management

This financial report is designed to provide our taxpayers with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report, or need additional financial information please contact

Fire Chief  
Fort Mohave Mesa Fire District  
2230 Joy Lane  
Fort Mohave, AZ 86426

Visit our website at [www.fmmfd.org](http://www.fmmfd.org).

RECEIVED  
DEC 16 2013  
BEMSTS-CON & RATES

Fort Mohave Mesa Fire District  
Statement of Net Assets  
Governmental Activities  
June 30, 2013

Assets

Current Assets

Cash	\$2,424,286
Receivables (net of allowances)	618,913
Deposits	44,484

Capital assets, net of accumulated depreciation

Land	205,649
Buildings	911,336
Furniture & fixtures	24,224
Equipment	285,122
Vehicles	<u>863,498</u>

Total Assets \$5,377,512

Liabilities

Accounts payable and other current liabilities	\$78,299
Compensated absences	949,345
Deferred revenue	<u>220,054</u>

Total Liabilities 1,247,698

Net Assets

Invested in net assets	2,289,829
Unrestricted	2,789,330
Long term debt for compensated absences	<u>(949,345)</u>

Total Net Assets 4,129,814

Total Liabilities and Net Assets \$5,377,512

See accompanying notes to financial statements

RECEIVED

DEC 16 2013

BEMSTS-CON & RATES



Fort Mohave Mesa Fire District  
Statement of Activities  
Year ended June 30, 2013

Governmental Activities	
Fire and rescue	\$(4,460,386)
General government	<u>(269,633)</u>
Total Governmental Activities	<u>(4,730,019)</u>
General Revenues	
Taxes	3,679,529
Ambulance	892,277
Grants & miscellaneous	34,831
Sale of surplus equipment	<u>16,007</u>
Total General Revenues	<u>4,622,644</u>
Change in Net Assets	(107,375)
Net Assets, beginning of year	<u>4,237,189</u>
Net Assets, end of year	<u>\$4,129,814</u>

See accompanying notes to financial statements

RECEIVED

DEC 16 2013

DEMSTB-COM & RATES

Fort Mohave Mesa Fire District  
Balance Sheet  
June 30, 2013

Cash	\$2,424,286
Receivables (net of allowances)	618,913
Deposits	<u>44,484</u>
Total Assets	<u>\$3,087,683</u>
Current Liabilities	\$78,299
Deferred Revenue	<u>220,054</u>
Total liabilities	<u>298,353</u>
Fund Balance	<u>2,789,330</u>
Total Liabilities and Fund Balance	<u>\$3,087,683</u>

Reconciliation  
Balance Sheet to Statement of Net Assets  
June 30, 2013

Fund Balance	\$2,789,330
Add: Capital assets used in governmental activities, not reported as assets in governmental funds	2,289,829
Less: Compensated absences, not payable in the current year	<u>(949,345)</u>
Total Net Assets -- Governmental Activities	<u>\$4,129,814</u>

See accompanying notes to financial statements

RECEIVED

DEC 16 2013

DEMISTIS-CON & NOTES

Fort Mohave Mesa Fire District  
Statement of Revenue, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2013

Revenue

Taxes	\$3,679,529
Ambulance	892,277
Grants & miscellaneous	34,831
Sale of surplus equipment	<u>16,007</u>
Total Revenue	<u>4,622,644</u>

Expenditures

Fire protection and EMS	
Personnel cost	2,830,924
Retirement	501,799
Insurance	698,669
Vehicle fuel & maintenance	100,433
Operating supplies & equipment	88,300
EMS & fire training & operations	<u>58,256</u>
Total Fire and EMS	<u>4,278,381</u>
Department Operations	
Administrative	52,739
Professional service	124,879
Insurance	35,631
Utilities	24,216
Repair and maintenance	<u>32,168</u>
Total Department Operations	<u>269,633</u>

See accompanying notes to financial statements

RECEIVED

DEC 16 2013

DEMISTS-COUNCIL VATES

Fort Mohave Mesa Fire District  
Statement of Revenue, Expenditures and  
Changes in Fund Balance  
For the Year Ended June 30, 2013

Capital outlay	
Machinery & equipment	13,855
Motor vehicles	<u>34,832</u>
Total capital outlay	<u>48,687</u>
Total expenditures	<u>4,596,701</u>
Net change in fund balance	25,943
Fund balance at July 1, 2012	<u>2,763,387</u>
Fund balance at June 30, 2013	<u>\$2,789,330</u>

See accompanying notes to financial statements

RECEIVED

DEC 16 2013

DEMOS-CON & NOTES

Fort Mohave Mesa Fire District  
Reconciliation Statement of Revenues,  
Expenses and Changes in Fund Balance  
To Statement of Activities  
June 30, 2013

Net changes in fund balance	\$25,943
-----------------------------	----------

Amounts for governmental activities in the statement  
of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	(167,911)
--	-----------

Book value that remained on assets that were disposed of during the year by the governmental entity.	(35,685)
--	----------

Long-term compensated absences do not require the use of current financial resources. Therefore, compensated absences are not reported as expenditures in the governmental funds.	<u>70,278</u>
---	---------------

Net changes in governmental funds	<u><u>\$(107,375)</u></u>
-----------------------------------	---------------------------

See accompanying notes to financial statements

RECEIVED  
DEC 16 2013  
DEMOS-COON & NATES

## 1. Summary of Significant Accounting Policies

- The financial statements include:
  - A Management Discussion and Analysis (MD&A) section providing an analysis of the Fire District's overall financial position and results of operations.
  - Financial statements prepared using full accrual accounting for all the District's activities.

### A. Reporting Entity

The Fire District provides fire, rescue, emergency medical services and general administrative services.

### B. Government-wide and Fund Financial Statements

The government-wide financial statements (the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the District.

### C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension contributions and claims and judgments, are recorded only when payment is due.

## 2. Cash Deposits and Investments

The District's pooled and non-pooled cash deposits at the county are categorized to give an indication of the level of risk assumed by the District at fiscal year-end. The categories are described as follows:

- Category 1 – Insured or collateralized with securities held by the District or its agent in the District's name.

Fort Mohave Mesa Fire District  
Notes to Financial Statements  
June 30, 2013

Category 2 – Collateralized with securities held by the financial institution's trust department in the name of Mohave County.

Category 3 – Uncollateralized.

Cash deposits, categorized by level of risk are:

Pooled deposits	category 2	\$2,111,331
-----------------	------------	-------------

The District holds \$312,955 in commercial banks, this does not exceed FDIC coverage on any individual account.

### 3. Capital Assets

Capital assets include land, buildings and equipment. They are defined by the District as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

Buildings, vehicles and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings and improvements	50
Vehicles	12
Equipment	12

Capital assets activity for the year ended June 30, 2013 was as follows:

	<u>Balance</u> <u>July 1, 2012</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>June 30, 2013</u>
<b><u>Capital assets, not being</u></b>				
depreciated:				
Land	\$205,649			\$205,649
<b><u>Capital assets being depreciated:</u></b>				
Building and				
Improvements	1,272,796			1,272,796
Furniture and Fixtures	54,571	4,306	10,212	48,665
Equipment	757,223	9,549		766,772
Vehicles and				
Apparatus	1,871,589	34,832	88,350	1,818,071
<b>Total capital assets</b>	<b><u>4,161,828</u></b>	<b><u>48,687</u></b>	<b><u>98,562</u></b>	<b><u>4,111,953</u></b>

Fort Mohave Mesa Fire District  
Notes to Financial Statements  
June 30, 2013

Less accumulated  
depreciation for:

Building and Improvements	336,005	25,455		361,460
Furniture and Fixtures	28,876	3,228	7,662	24,442
Equipment	424,414	57,235		481,649
Vehicles and Apparatus	<u>879,108</u>	<u>130,680</u>	<u>55,215</u>	<u>954,573</u>
Total accumulated depreciation	<u>1,668,403</u>	<u>216,598</u>	<u>62,877</u>	<u>1,822,124</u>
Net capital assets	<u>\$2,493,425</u>	<u>\$(167,911)</u>	<u>\$35,685</u>	<u>\$2,289,829</u>

#### 4. Deferred Revenue

Property taxes that are receivable per the county but were delinquent at June 30, 2013 total \$220,054. This deferred revenue is secured by the property involved. Periodically, the county holds tax lien sales on the delinquent parcels.

#### 5. Revenues

Property taxes are assessed and collected by Mohave County. The Arizona Revised Statute 48-807 limits the tax rate for a fire district to \$3.25 per \$100 of assessed value unless the Fire District meets special circumstance requirements. For the year ended June 30, 2013 the District had an assessed value of \$97,958,200 and a levy rate of \$3.25 per hundred. In the fiscal year ending June 30, 2014 the District has an assessed value of \$92,893,500 and a levy rate of \$3.25 per hundred. Ambulance revenues are regulated by the Arizona Department of Health Services.

#### 6. Compensated Absences

Vacation and sick leave hours are credited to the employee at the end of each month. Other leave is credited to the employee on January 1, and must be used by December 31. Sick leave can be accumulated and paid out to the employee at 50% if the employee has over 720 hours accumulated for shift personnel, and 480 hours for non shift personnel, or the employee can exchange sick for vacation at the rate of 2:1; or the employee can bank their excess sick leave to be paid out upon retirement at a rate of 2:1. Leave earnings for a year are as follows:

	<u>Shift Personnel</u>	<u>Others</u>
Vacation	72 hrs – 312 hrs	40 hrs – 232 hrs
Personal leave	24 hrs	24 hrs
Holiday pay	48 hrs	10 hrs each holiday
Sick pay	120 hrs – 240 hrs	80 hrs – 160 hrs

RECEIVED

DEC 16 2013

DEMSTG-CON & NOTES



Fort Mohave Mesa Fire District  
Notes to Financial Statements  
June 30, 2013

At June 30, 2013, employees had accrued a total of 29,523 hours of leave estimated to be \$949,345. The liability for accumulated days off is on the Statement of Net Assets. The current portion of accumulated days would be liquidated with expendable available resources.

#### 7. Arizona State Retirement System

Full-time employees other than fire fighters contribute 11.14% of their annual compensation to this plan. The Fire District puts in a matching contribution. Starting July 1, 2013 full-time employees contribute 11.54% of their annual compensation and the Fire District contributes 11.54%.

Members are eligible for retirement benefits on the first day of the calendar month following (A) the attainment of age 65, (B) the attainment of age 62 and ten years of total credited service, or (C) the date when age plus total credited service equals 80. The benefit is based on 2% of final average salary multiplied by the years of service credit. Persons who have reached age 50 with at least five years of total credited service may take an early retirement, which entitles them to a reduced retirement benefit. Employee contributions vest immediately, employer contributions start vesting after five years of credited service. Upon termination of employment, a member may withdraw contributions made to the system plus accrued interest.

#### 8. Arizona Public Safety Employees Retirement System (ASPRS)

Eligible fire fighters contribute 9.55% of their annual compensation to this plan. Starting July 1, 2013, fire fighters' portion is 10.35%. The Fire District pays an amount based on their actuarially determined rate, which is further reduced by insurance premium tax. The rate for the year ended June 30, 2013 was 21.02%. The rate for the fiscal year end June 30, 2014 has increased to 23.61%. Covered employees are eligible for a normal pension upon completion of twenty (20) years of service, or upon attainment of age sixty-two (62) and completion of fifteen (15) years of service.

The amount of monthly normal pension is based on credited service and average monthly compensation as follows:

- **For retirement with 25 or more years of credited service**, 50% of average monthly compensation for the first 20 years of credited service, plus 2½% of average monthly compensation for each year of credited service above 20 years.
- **For retirement with 20 years of credited service but less than 25 years of credited service**, 50% of average monthly compensation for the first 20 years of credited service, plus 2% of average monthly compensation for each year of credited service between 20 and 25 years.

RECEIVED

DEC 16 2013

BEHST8-CON & RATES

Fort Mohave Mesa Fire District  
Notes to Financial Statements  
June 30, 2013

- **For retirement with less than 20 years of credited service**, the percent of average monthly compensation is reduced at a rate of 4% for each year less than 20 years.

The maximum amount payable as a normal retirement pension is 80% of the average monthly compensation. The plan also provides for disabled employees and surviving spouses.

**Summary of Actuarial Methods and Assumptions**  
**GASB Statement No. 25 Supplementary Information**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date:	June 30, 2012
Actuarial Cost Method:	Entry Age Normal
Amortization method:	Level percent-of-pay closed
Remaining amortization period:	24 years for underfunded 20 years for overfunded
Asset valuation method:	7-year smoothed market 80%/120% market
Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increases	5.0% - 9.0%
Payroll growth	5.0%
Cost-of-living adjustments	None

RECEIVED

DEC 16 2013

DEVELOPMENT & RESEARCH

Fort Mohave Mesa Fire District  
Notes to Financial Statements  
June 30, 2013

**Schedule of Funding Progress**  
**Excluding Health Insurance Subsidy Beginning June 30, 2008**

Year Ended June 30	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percent of Covered Payroll [(b)-(a)]/(c)
2003	\$3,310,702	\$2,925,543	\$(385,159)	113.2 %	\$1,554,527	0.0 %
2004	3,643,114	3,419,319	(223,795)	106.5 %	1,765,607	0.0 %
2005	3,961,379	4,488,193	526,814	88.3 %	1,926,967	27.3 %
2006	4,303,081	5,868,598	1,565,517	73.3 %	2,091,337	74.9 %
2007	4,517,052	7,214,680	2,697,628	62.6 %	2,258,484	119.4 %
2008	5,082,972	7,887,554	2,804,582	64.4 %	2,544,197	110.2 %
2009	5,800,685	7,087,287	1,286,602	81.8%	1,900,226	67.7%
2010	6,421,344	9,276,909	2,855,565	69.2%	2,599,423	109.9%
2011	7,268,974	10,710,932	3,441,958	67.9%	2,293,499	150.1%
2012	8,124,220	12,036,134	3,911,914	67.5%	2,110,827	185.3%

**Schedule of Employer Contributions**

Fiscal Year Ended June 30	Annual Required Contribution
2003	\$ 97,273
2004	134,900
2005	165,961
2006	148,198
2007	212,875
2008	326,206
2009	449,072
2010	676,388
2011	304,771(est.)
2012	510,075(est.)
2013	503,441(est.)
2014	523,820(est.)

Beginning with the 2011 fiscal year, this schedule shows the estimated annual required contribution (calculated based on the recommended contribution rate and the projected payroll for the fiscal year). Actual amounts reported in the employer's financial statements may be different, due to differences between the projected payroll and the actual payroll during the fiscal year.

Fort Mohave Mesa Fire District  
Notes to Financial Statements  
June 30, 2013

**GASB Statement No. 45 Supplementary Information**

The following information is presented concerning the post-retirement health insurance subsidy. The liabilities and computed contribution for the post-retirement health insurance subsidy were based on the same assumptions and actuarial cost methods as indicated for GASB Statement No. 25.

As of the June 30, 2012 valuation, an 8% interest rate assumption was used. It is our understanding that assets are not currently segregated to fund these liabilities. As a result, according to GASB Statement No. 45, these benefits may not be considered to be pre-funded. In that case the 8.00% interest rate assumption may not be appropriate. This issue should be discussed with the auditors and with legal counsel.

**Schedule of Funding Progress**

Valuation Date June 30	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
2006	\$0	\$212,553	\$212,553	0.00%	\$2,091,337	10.16%
2007	0	285,564	285,564	0.00	2,258,484	12.64%
2008	0	297,225	297,225	0.00	2,544,197	11.68%
2009	0	295,331	295,331	0.00	1,900,226	15.54%
2010	0	312,001	312,001	0.00	2,599,423	12.00%
2011	0	353,323	353,323	0.00	2,293,499	15.41%
2012	0	320,386	320,386	0.00	2,110,827	15.18%

**Annual Required Contribution**

Valuation Date June 30	Fiscal Year Ended June 30	Normal Cost (a)	Actuarial Accrued Liability (b)	Total (a+b)	Dollar Amount
2006	2008	0.37%	0.47%	0.84%	\$21,371
2007	2009	0.50	0.60	1.10	27,986
2008	2010	0.40	0.57	0.97	24,679
2009	2011	0.65	0.77	1.42	30,033
2010	2012	0.53	0.59	1.12	32,404
2011	2013	0.28	0.83	1.11	28,067
2012	2014	0.29	0.81	1.10	25,599

Health Insurance Subsidy Payments Reported for FY 2012: \$10,563

RECEIVED

DEC 16 2013

BEMOTG-0011 & 17, 1253

Fort Mohave Mesa Fire District  
Notes to Financial Statements  
June 30, 2013

An actuarial valuation of the District's retirement plan is done annually. The report for the year ended June 30, 2013 has not been received by the District. A copy of that valuation, when available, can be obtained directly from the Fire District.

**9. Intergovernmental Agreements**

The District has intergovernmental agreements with the City of Bullhead for 911 services, Bullhead Fire Department for ambulance billing services, and mutual aid agreements with various entities for fire fighting.

**10. Other Than Pension Employee Benefits**

An actuarial study was completed on the department's OPEB (other than pension employee benefits) to comply with Governmental Accounting Standards Board #45 requirements. A copy of that study can be obtained at the district office. The board elected to continue to account for these expenditures annually and not to fund this liability. The unfunded actuarial accrued liability was \$594,750 for the year ended June 30, 2012. Actuarial studies are required to be completed every three years.

**11. Line of Credit**

The District can apply for a revolving line of credit with a local bank not to exceed 90% of the taxes levied by the county for the District's current fiscal year. Interest is adjusted with prime and is charged at 2% below the prime rate. For fiscal year ending June 30, 2013 the line of credit was not used.

**12. Environmental Clean-up**

The District's fuel storage is all above ground. However, if environmental clean up would be necessary for any reason, no provisions have been made in this financial statement. The District carries an environmental impairment liability policy for situations such as this.

**13. Subsequent Events**

The general decline in the U.S. economy continues. As a result, the District will have a decrease in tax revenue in coming years. The governing body's fiscal year ending June 30, 2014 budget reflects that decrease and works within these new parameters.

RECEIVED

DEC 16 2013

BEAUSIS-CON & KATES

Fort Mohave Mesa Fire District  
Statement of Revenue, Expenditures and  
Changes in Fund Balance  
Actual and Budget (**Budget Basis**)  
General Fund  
For the Year Ended June 30, 2013

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenue			
Taxes	\$3,648,986	\$3,483,642	\$165,344
Ambulance	901,235	750,000	151,235
Grants & miscellaneous	34,831	442,500	(407,669)
Sale of surplus equipment	<u>16,007</u>	<u>25,000</u>	<u>(8,993)</u>
Total Revenue	<u>4,601,059</u>	<u>4,701,142</u>	<u>(100,083)</u>
Expenditures			
Fire protection and EMS			
Personnel cost	2,833,068	3,027,983	(194,915)
Retirement	491,187	568,000	(76,813)
Insurance	698,030	774,000	(75,970)
Vehicle maintenance & repairs	102,088	151,000	(48,912)
Uniforms & turnouts	47,625	55,000	(7,375)
Small tools & equipment	40,947	102,200	(61,253)
EMS & training operations	35,386	75,250	(39,864)
Fire training & operations	<u>24,467</u>	<u>63,000</u>	<u>(38,533)</u>
Total Fire and EMS	<u>4,272,798</u>	<u>4,816,433</u>	<u>(543,635)</u>
Department Operations			
Administrative	54,232	106,000	(51,768)
Professional service	129,473	149,000	(19,527)
Insurance	35,631	35,000	631
Utilities	24,134	39,000	(14,866)
Repair and maintenance	<u>33,774</u>	<u>47,500</u>	<u>(13,726)</u>
Total Department Operations	<u>277,244</u>	<u>376,500</u>	<u>(99,256)</u>

See accompanying notes to financial statements

RECEIVED

DEC 16 2013

DEMISTIS-CON & NOTES

Fort Mohave Mesa Fire District  
Statement of Revenue, Expenditures and  
Changes in Fund Balance  
Actual and Budget (**Budget Basis**)  
General Fund  
For the Year Ended June 30, 2013

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Capital outlay			
Building & improvements	0	70,000	(70,000)
Machinery & equipment	13,855	70,000	(56,145)
Vehicles	34,832	15,000	19,832
Vehicle reserve	0	30,000	(30,000)
Grants & contingencies	<u>0</u>	<u>1,123,209</u>	<u>(1,123,209)</u>
Total capital outlay	<u>48,687</u>	<u>1,308,209</u>	<u>(1,259,522)</u>
Total expenditures	<u>4,598,729</u>	<u>6,501,142</u>	<u>(1,902,413)</u>
Revenue over (under) expenditures from operations	2,330	<u>(1,800,000)</u>	<u>1,802,330</u>
Fund balance			
July 1, 2012	<u>2,763,387</u>		
Fund balance			
June 30, 2013	2,765,717		
Adjustments for GAAP	<u>23,613</u>		
Fund Balance			
June 30, 2013			
GAAP Basis	<u>\$2,789,330</u>		

See accompanying notes to financial statements

RECEIVED

DEC 16 2013

DEMO RATION & NATES



CERTIFIED PUBLIC ACCOUNTANTS  
1370 RAMAR ROAD, SUITE B  
BULLHEAD CITY, ARIZONA 86442  
(928) 758-4106  
FAX (928) 758-8435

October 31, 2013

To the Fire Board  
Fort Mohave Mesa Fire District

We have audited the financial statements of the governmental activities and the aggregate remaining fund information of Fort Mohave Mesa Fire District for the year ended June 30, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 22, 2013. Professional standards also require that we communicate to you the following information related to our audit.

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Fort Mohave Mesa Fire District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year ending June 30, 2013. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Fort Mohave Mesa Fire District's financial statement were:

Management's estimate of the depreciation is based on lives recommended for assets owned by fire departments that have been disclosed to you. We evaluated the key factors and assumptions used to develop the depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

RECEIVED

DEC 16 2013

DEPT. OF FIN. & RATES



Management's election to estimate an allowance for doubtful accounts is reasonable in relation to the financial statements taken as a whole and has been based on historical collection of medical billings.

Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. We did not find anything of a sensitive nature affecting the financial statements.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

#### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated October 31, 2013.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

RECEIVED

DEC 16 2013

DEWSTIS-OLN & RATES

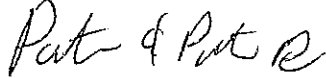
*Other Auditing Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to the retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

We discussed with management the problems we noted during the audit that related to your prior billing service. We also suggested implementing a control procedure that was not in place on June 30 regarding the new billing service. We understand the control we suggested has been implemented.

This information is intended solely for the use of Fort Mohave Mesa Fire District Fire Board and management of Fort Mohave Mesa Fire District and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



Porter & Porter PC

RECEIVED

DEC 16 2013

DEMISTS-CON & RATES